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Chairman: Mr. Niculescu (Vice-Chairman) ..... (Romania)
later: Mr. Olhaye (Chairman) ..... (Djibouti)

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In the absence of Mr. Olhaye (Djibouti), Mr. Niculescu (Romania), Vice-Chairman, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 99: Sustainable development and international economic cooperation

(h) Implementation of the Programme of Action of the International Conference on Population and Development (*continued*) (A/54/442)

1. **Ms. Berman** (International Labour Organization (ILO)) said that high population growth, particularly in developing countries, had created great increases in the labour supply, but since there had been no commensurate increase in employment opportunities vast numbers of people lacked the means to earn a living; this had had devastating social consequences. In the wake of the International Conference on Population and Development, ILO had played an active role in drafting instruments and conventions to protect vulnerable groups such as women, children and migrant workers.

2. The adoption of a human rights framework in the implementation of the Programme of Action of the International Conference on Population and Development was consistent with the organization's own standards on human rights, including basic workers' rights. The organization sought to integrate gender concerns into policies and programmes, and its work on population and development also included programmes targeting specific groups, such as youth and women and the development of schemes aimed at enhancing employment opportunities. It had also undertaken advocacy activities to ensure that Governments, employers and workers' organizations were aware of the importance of population in development policies and programmes, and its link with employment.

3. The organization was the lead agency for a thematic study of employment and the changing age structure in the twenty-first century, which was part of the inter-agency Technical Assistance Programme. Recent ILO publications on HIV/AIDS and employment had dealt with the legislative and regulatory framework, enterprise practices and recommendations for practical strategies concerning HIV/AIDS and the workplace, and a number of regional workshops on the subject had been held involving ILO's tripartite constituents.

4. **Mr. Nebenzia** (Russian Federation) said that the twenty-first special session of the General Assembly had reaffirmed the consensus achieved in Cairo and demonstrated the growing attention being given to population parameters for development. Intensified action had been called for in respect of, *inter alia*, reduction of child and maternal mortality and increased access to schooling. The special session had also reaffirmed that there were different approaches to the population issue. His delegation was concerned about the inadequacy of internal and external resources support for the programmes and measures taken by Governments; it was unclear how Governments were to implement the Programme of Action in the absence of the relevant international support. It was also unclear whether or how the development of partnership relations with non-governmental organizations and institutions in civil society could replace specific official assistance. Measures to control population growth must not be used as conditions for granting assistance in other critical areas of growth and development.

5. His delegation welcomed the target indicators agreed on at the special session to combat illiteracy among women and girls, reduce maternal mortality and reduce the vulnerability of young people to the spread of HIV/AIDS and other diseases. The Russian Federation also welcomed the recommendations regarding the elderly, the need to take firm action to halt the spread of AIDS and other sexually transmitted diseases and the implementation of women's and children's rights, as well as the clear recommendations regarding specific population problems which had become more acute in some countries with economies in transition, including the Russian Federation. It was particularly important to promote improved systems of gathering population data, especially in countries with economies in transition.

6. Concrete action must be taken on the recommendations concerning international support to countries which had suffered as a result of the recent financial crisis and countries with problems stemming from large refugee flows. The Russian Federation was prepared to cooperate with other interested countries in preparing a draft resolution at the present session to provide an impulse to implementation of the decisions of the special session.

7. **Mr. Abreha** (Ethiopia), said that the process to review and appraise the implementation of the Programme of Action of the International Conference on Population and Development had made it abundantly clear that there was a need for strengthened international partnership but while developing countries were making concerted efforts to mobilize domestic resources for population activities, developed countries had thus far not done enough to fulfil their commitments. A serious lack of financial resources remained one of the primary obstacles to full implementation

of the Programme of Action. Ethiopia called on its partners to redouble their efforts to mobilize funds, and emphasized that the international community should provide the necessary financial and technical assistance to support developing countries, particularly those in Africa, and should address the debt crisis of developing countries through a more efficient and coordinated mechanism.

8. Ethiopia was the third most populous country in Africa, and population concerns were high on its development agenda; equality of women was prominent in every policy and programme. Ethiopia encouraged the participation of non-governmental organizations in the broad area of health and family planning. Despite improvements in contraceptive prevalence and fertility rates, daunting challenges lay ahead. There were not enough trained personnel in the population and related fields; there was a lack of national technical capacity to establish the relationship between population and development; and there were no methodological tools to integrate women's issues fully into the development planning process. The major obstacle to achieving the goals set in Ethiopia's national population policy was resource constraint.

9. On the eve of the new millennium, countries should rededicate themselves to implementing the Programme of Action, for full implementation of the Programme would improve hopes of prosperity, sustainable use of natural resources and sustainable economic growth and development.

10. **Mr. Shimumura** (Japan) said that the twenty-first special session of the General Assembly had shown that there was now a universal recognition of the importance of population issues and the need to tackle them in a coordinated manner. Acceptance of the need for a multi-disciplinary approach represented a great leap forward in the thinking of the international community. The concept of reproductive health and reproductive rights enjoyed much broader acceptance today than it had at the time of the Conference.

11. While it was significant that the political will had been mobilized to reaffirm the commitments made at Cairo, there had been insufficient discussion of how the goals should be attained and how progress should be monitored and evaluated. All countries, non-governmental organizations and international organizations concerned needed to be engaged in follow-up, and in that endeavour different methods of implementation, monitoring and evaluation that were sensitive to local cultural, political and religious traditions might be required, as well as active participation of the local population.

12. Since 1986, Japan had been the largest donor to the United Nations Population Fund (UNFPA), and in 1994 it had set out to allocate US$ 3 billion in Official Development Assistance for activities related to population and HIV/AIDS by the end of 1998; that target had already been exceeded. Japan would continue to attach high priority to population issues and was determined to continue to play an active role in collaborating and cooperating with other donor countries, international organizations and non-governmental organizations regarding issues relating to population and development.

13. **Mr. Robertson** (New Zealand), speaking also on behalf of Australia and Canada, said that the central message of the Cairo Conference — reinforced at the twenty-first special session of the General Assembly — was that population issues were development issues and that the Cairo agenda should be considered as part of a global framework for sustained and sustainable development. The special session's strong reinforcement of human rights and the human well-being language of the Programme of Action was particularly welcome, as were the calls for intensified action in implementing the Programme of Action, and the new benchmarks in reproductive and sexual health, access to family planning services, reduced maternal mortality, HIV/AIDS prevention, gender issues and education. New Zealand, Australia and Canada remained deeply committed to implementation of the Programme of Action, and urged all countries to implement the key actions agreed at the special session.

14. Despite the success of the special session formidable challenges remained in terms of availability of adequate resources, lack of political commitment and support at national and international levels and the all too common environment of gender inequality. Only by a partnership between developed and developing countries, Governments and civil society, including non-governmental organizations, indigenous peoples and the private sector, could those obstacles be overcome.

15. UNFPA had a crucial role to play in population and development. It had been particularly successful working in partnership and in bringing about a number of innovative projects which had helped greatly in bringing the benefits of sexual and reproductive health services to those most in need. It should receive continued support as the lead agency in implementing the Programme of Action and as the only multilateral agency carrying out the entire range of population and reproductive health activities set out in the Programme.

16. **Mr. Holubov** (Ukraine) said that his delegation fully subscribed to the outcome of the twenty-first special session of the General Assembly, particularly with regard to measures to reduce maternal and infant mortality levels, to combat HIV/AIDS and other diseases, to regulate migrant flows and to promote capacity-building in the developing countries and in countries with economies in transition. It also welcomed the emphasis on the link between population, economic growth and environment on the one hand and the urgent need for policies and programmes to deal with the causes of international and internal migration and urbanization and the resultant dislocations on the other hand.

17. Like other countries with economies in transition, Ukraine was experiencing a number of negative tendencies in its social and demographic development. The most serious threat to the health of the Ukrainian nation stemmed from the HIV/AIDS pandemic and from a significant growth in venereal diseases, including venereal infection of newborn children. Along with the aftermath of the Chernobyl disaster, those factors had caused the population of Ukraine to fall by almost 2 million in the past five years.

18. In recognition of the fact that Governments had prime responsibility for attaining the goals of the International Conference on Population and Development at national level, Ukraine had taken steps to make the Programme of Action an integral part of its social and development policy. Ukraine particularly welcomed a recent visit by the Executive Director of UNFPA; despite its lack of financial resources, UNFPA had made significant progress in implementing the Programme of Action and he shared the concern of other delegations regarding the continuing serious decline in its core resources.

19. **Mr. van Schalkwyk** (South Africa) welcomed the outcome of the twenty-first special session of the General Assembly and said that the Cairo Programme of Action was of special significance to his country in view of the widespread suffering and marginalization it had experienced over a period of more than four decades. His Government's efforts to improve the socio-economic situation of its people were being hampered by the HIV/AIDS epidemic, unsafe abortions and teenage pregnancies, and had it not been for the international assistance and guidance of the Programme of Action his Government would have found it infinitely more difficult to deal with them. In the past five years the country had begun to incorporate the Programme of Action in its national plan for social development.

20. While acknowledging that the outcome of the twenty-first special session was probably the best that could be achieved, his delegation would have preferred more forward-looking and action-oriented proposals for further implementation of the Programme of Action. It noted with concern the continuing decline in contributions to UNFPA; ever-decreasing levels of donor support were threatening to wipe out the gains the Fund had made. It was sad to note that seven of the top 15 donors to UNFPA had reduced their contributions in 1998, while another five had either marginally increased or provided the same level of contribution. Only three countries had made any serious effort to increase their contributions. His delegation strongly urged donor Governments to increase their contributions to UNFPA in order to help realize the goals and objectives of the International Conference on Population and Development.

21. **Mr. Li Shijian** (China), noting that the world population had recently reached 6 billion, said that it should be seen both as a milestone in human development and as a warning that more resolute action was needed to slow the pace of population growth. Developed and developing countries should work together to solve the population problem.

22. Although the international community and national Governments had made progress in the implementation of the Programme of Action, many couples still did not have access to basic reproductive health and family planning services, and official development assistance for population programmes had been cut drastically. His delegation therefore appealed to all countries to honour the commitments made at the Cairo Conference and to bear in mind at all times the relationship that existed between population, economic and social development, resources and the environment.

23. Since China had the largest population of any country in the world, it regarded family planning and control of population growth as vital. Although it had significantly reduced the birth rate in the past 30 years, it still faced tremendous population pressure which, in the future, would be coupled with problems of aging, employment, demographic structure and migration. Accordingly, it had formulated a number of instruments and plans to address the problem in the twenty-first century and it looked forward to strengthening its cooperation with the international community and making its contribution to stabilizing the world population and promoting peace and development.

24. **Mr. Zarie Zare** (Islamic Republic of Iran) said that the Programme of Action of the Cairo Conference had established an organic link between population and development. The five-year review of its implementation had demonstrated the capacity of the United Nations in global

consensus-building through open, transparent and inclusive discussion.

25. Data on domestic resource flows for population indicated that developing countries had made substantial progress in achieving the goals set in Cairo, but the same could not be said for international assistance. Donor funding for population activities had stagnated and was far below the requirements for 2000. Successful implementation of the key actions and outcomes of the Cairo review process was contingent upon success in resource mobilization.

26. His Government based its strategy for reproductive health and family planning on the promulgation of appropriate legislation, promotion of public awareness and provision of necessary services, particularly directed at young couples. The Government's commitment to the strategy, along with the strengthening of the national primary health care system, had led to sharp declines in the crude birth rate, along with tremendous reductions in infant, child and maternal mortality. Despite serious financial constraints, the health care system and reproductive health services had also been extended to some 2 million refugees present in the country. Assistance from the international community was needed, however, in order for those services to be sustainable. Empowerment of women was another Government policy which had contributed significantly to the success of population policies. Women's active involvement in the health sector represented an important aspect of their active and growing role on the national scene. Finally, the formulation, adoption and implementation of population policies in Iran, with recognized success, confirmed the compatibility of religion and population policies and family planning, with important theoretical and practical lessons for other developing societies.

27. **Mr. Chamie** (Department of Economic and Social Affairs) noting that the twenty-first special session of the General Assembly had been one of the most successful sessions, drew attention to paragraph 30 of the report of the Secretary-General.

28. **Ms. Sadik** (Executive Director, United Nations Population Fund (UNFPA)) underscored the call by many delegations for adequate resources for population activities. She was encouraged by the statements made by delegations of major donors to population activities that they would restore funding. In turn, her small but dedicated staff would redouble its efforts for implementation of those activities.

29. *Mr. Olhaye (Djibouti), Chairman, took the Chair.*

Agenda item 104: Globalization and interdependence (A/54/98, 175 and 358)

30. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General on the role of the United Nations in promoting development in the context of globalization and interdependence (A/54/358), said that it was intended to move the discussion beyond the level of concepts and to enhance the capacity of the international community to manage the globalization process through the instruments available.

31. The two major challenges posed by globalization were policy coherence and institutional governance. Currently, there was no mechanism to harmonize policy among countries affected by each other's actions at the macro-economic level, for instance, or to govern the interactions between areas of policy, for example finance and trade. In the area of institutional governance, transnational actions were becoming increasingly prevalent in such areas as finance, information and movements of people. The challenge lay in deciding whether a mechanism to address such actions was needed at the national level, or across national boundaries.

32. In his view, the priority for the Committee's deliberations should be to promote global understanding of the phenomenon of globalization, as perceptions varied enormously. There were three main areas to address. First, it must be recognized that globalization was driven by the recent dramatic changes in information technology and knowledge-based industries. In the past, the Committee had handled that area as a technical matter; in fact, it was much more, and competence to address it must be built at the inter-governmental level. Second, globalization was being driven not by official capital flows, but by private capital markets; rule-setting and institutional development surrounding such flows should be an important part of the work of the United Nations. Third, globalization had been driven by the expansion of trade, multinational corporations and the globalization of production. Answers to the questions raised by those processes must be sought at the global level.

33. Finally, there were two main areas of concern: one related to the belief that there was no system of oversight for the process, the other to the fact that globalization was not affecting all countries equally. The response to those concerns should be to strengthen the operational activities of the United Nations for capacity-building in information technology, capital market development and trade. The challenge before the Second Committee was to provide the

architecture for the discussions of those very important issues.

34. **Mr. Insanally** (Guyana), speaking on behalf of the Group of 77 and China, said that globalization continued to dominate the world economy. Fuelled by the technology revolution and the increasing liberalization of trade and finance, the process was rapidly transforming the world into a single global marketplace. While its effects extended into the daily lives of people everywhere, the process itself had engendered in many a sense of powerlessness and loss of control. The results to date had been very mixed; most developing countries had experienced few gains and, in fact, had suffered significant losses.

35. It had also become clear that each country was vulnerable to the process in varying degrees, and thus, any strategy to manage globalization must be responsive to their specific needs and circumstances. In particular, safety mechanisms were needed to protect the most vulnerable sectors of society. The inadequacy of existing international institutions to deal with the underlying systemic deficiencies of the global economy had led to demands for the reform or redesign of the international financial architecture. Developing countries would continue to insist on a greater role in the decision-making, as they generally suffered disproportionately as a result of adverse shocks in the global economy.

36. Integration should take place at a pace designed to allow developing countries to withstand the unbridled competition of the market and to benefit from globalization and trade liberalization in a smooth and stable manner. Human resource development, capacity-building and leadership were urgently needed. National policies should combine offensive measures to attract investment and trade with defensive measures to guard against the predominant forces of the open market. New forms of partnership for development among Governments, the private sector and civil society would also be required.

37. On the plus side, globalization and interdependence had provided a new dynamic for South-South cooperation. An important process which had paralleled globalization had been the broadening and deepening of integration at the regional and subregional levels. Such arrangements offered a welcome buffer against global market forces and allowed countries to pool their resources and develop their productive capacities.

38. The United Nations had a crucial role to play in promoting an understanding of and a response to globalization. The recommendations contained in the report of the Secretary-General were worthy of consideration. Of particular relevance was the idea of establishing a task force under the Economic and Social Council to find the ways and means to promote policy coherence and institutional capacity-building measures that would link the outcomes of the global conferences and the five-year reviews already held. The proposal for dialogue between the Council and the World Trade Organization was also timely. The Group of 77 and China supported efforts to strengthen the General Assembly in the discharge of its Charter responsibilities to provide int[illegible]national economic and social cooperation, and to advance the role and effectiveness of the specialized agencies related to social and economic development.

39. It was critically important for the international community to mobilize the determination to work closely together for the common goal of sustainable development in the spirit of cooperation and partnership. The Group of 77 and China would follow the discussions closely to see how developed and developing countries could come together to harness globalization for the good not of a select few, but of all countries in the global economy.

40. **Ms. Rasi** (Finland), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, and, in addition, Iceland, said that globalization provided both opportunities and challenges. It was a many-faceted process, which included economic, political, social, environmental, technological and cultural dimensions. An effective framework for global governance required a new perspective, one that relied on a more comprehensive, coherent and coordinated approach to the various dimensions of sustainable development. Attention should also be given to equity and to a more equitable distribution of the benefits of globalization at the national and international level.

41. The responsibility for shaping globalization could not be left to the market forces alone. Now more than ever, there was need for political measures to accompany and guide globalization in order to spread its benefits more widely. Such measures should include effective global negotiation mechanisms, mainstreaming sustainable development considerations into all policy making and bringing greater coherence into trade, investment, environmental, social and other policies. Particular attention should also be given to the problem of poverty eradication and to preventing the further marginalization of developing countries. Indeed, the ability of national Governments and the international community to harness the beneficial forces of globalization for the eradication of poverty should be one of the major criteria for any lasting national and global response to globalization.

42. At the national level, an ability to adapt and respond adequately to pressures and opportunities for change, as well as stable and sustainable macroeconomic policies were necessary for taking full advantage of the opportunities provided by globalization. Regional cooperation and integration were also vital in that regard. However, the prime responsibility for development lay with States themselves. The support of the international community could only be considered supplementary, even if it was indispensable in the current circumstances. One of the key challenges was strengthening the institutional capacities of developing countries in order to take advantage of the opportunities of globalization. An integrated world economy offered the best opportunities for doing so.

43. Noting that the South-East Asian financial crisis had revealed the fragility of the financial system, she said that the victims of such crises would be helped in the long term through financial transparency and better practices, combined with the development of social structures to manage change. Therefore, the European Union welcomed the work of the United Nations and the World Bank in developing and refining principles and good practices in social policies. As far as trade and finance was concerned, the forthcoming round of trade negotiations in the context of the World Trade Organization (WTO) should be comprehensive and move the process of trade liberalization forward, strengthen the framework for the functioning of the multilateral trading system and ensure that the particular interests and concerns of developing countries were taken into account. The European Union also supported the ongoing process of strengthening and reforming the international financial architecture so as to contribute to crisis prevention and management. The Bretton Woods institutions should serve as a central forum for the discussions concerning the international financial system.

44. Challenges to global governance included the balance between the State and other public and private actors. Closer dialogue between countries and with the private sector, as well as with non-governmental organizations and other sectors of civil society, was indispensable. The European Union welcomed the efforts under way within the private sector to adopt codes of ethics conducive to political and social stability.

45. Intensified international cooperation increased the importance of the role of multilateral actors such as the United Nations, the Bretton Woods institutions, WTO and regional organizations. Such cooperation should take into account comparative advantages and the need to build partnerships with other institutions such as the Organization for Economic Cooperation and Development. Participation in the emerging global information network was imperative for any country to benefit from globalization. The United Nations also had an important role in assisting developing countries in strengthening their human resources base to take advantage of global information technology, which would become a decisive factor in an increasingly interdependent world.

46. **Mr. Osei-Danquah** (Ghana) said that it was important to re-examine the items on the Committee's agenda in the light of interrelatedness as well as the prospect of enlarging participation in the dialogue with a view to concentrating global attention on the most critical but defining trends in world development.

47. Perhaps because of the role that hedge funds had played in the financial turmoil that had beset Asia, attention seemed to have focused entirely on the role of the financial aspects of globalization, overlooking other aspects, particularly trade and the interconnections between finance, trade and development. The common thread running through the various studies and reports on globalization and the new trends in Washington was the unprecedented urgency for an integrated focus on development. What had been left unsaid was how urgent it was for the United Nations to validate and assert its leadership in the process. The United Nations was the only body with the authority to lead the process of restructuring the international financing architecture and ensuring a stronger, more stable and participatory system. It was also equipped to design a coherent network of global governance that linked finance, trade and development. In that connection, he shared the view expressed in the Secretary-General's report regarding the need for comprehensive and coherent policy responses to globalization.

48. It was the responsibility of Governments and other social forces to ensure the promotion of goals of equity, poverty eradication and enhanced human security. The problems caused by economic globalization had exposed the inadequacies of the modern State, as well as of international institutions both in managing activities on the globalized markets and in preventing undesirable outcomes or addressing them in the most socially responsible manner, when they occurred. Strong and effective governance was therefore necessary if Governments were to have a chance of managing the consequences of globalization at home.

49. Similarly, strong and effective governance at the international level was needed to deal with aspects of globalization that remained outside the control of national governments, and to ensure that the sum of governmental action was as comprehensive as the demands of globalization

on policy. In that regard, the United Nations must provide the forum for identifying the respective responsibilities of developing countries, developed countries and multilateral institutions in governance. Effective governance would require a balance between implementation of national and global responsibilities. Moreover, the understandings that seemed to exist on development between the United Nations, the International Monetary Fund and the World Bank must be extended.

50. Unless the international community accepted the need to support States around the globe to become effective units of global governance, instead of victims of globalization, it would not just be billions of people who would pay the price in poverty and exclusion. The United Nations itself would be marginalized.

51. **Mr. Ortique** (United States of America) said that one of the most important elements to keep in mind when discussing how the United Nations adjusted to globalization while continuing to fulfil its objective of promoting development, was that the implications of globalization were not yet fully understood.

52. That being so, a number of things should be borne in mind. The first was the need for flexibility and a readiness to adjust. There had been much discussion about the need for new structures and architectures; in fact, the focus should be on evaluating and re-evaluating existing systems as they developed. The second thing to remember was that there were constants which must continue to be emphasized, namely health, education and basic infrastructure. There was a need to take a comprehensive, holistic and coherent approach to policy-making, stressing the interrelationship between economic, social and environmental factors. The third thing to remember was that the exponential increase in the availability of information, as well as the growing inequities in access to such information, must be taken into consideration. Access to information and the knowledge that sprang therefrom were the principal means by which individuals and Governments could take advantage of the opportunities and defend against the negative impact of globalization. The international community must work to improve access to information throughout the developing world and ensure that such information was wholly transparent. One method of dealing with the explosion and constant flow of information was to clearly identify priorities in respect of economic growth, social development and environmental protection and adhere to them.

53. In his delegation's view, the United Nations, particularly in its operational activities, should focus on the fundamentals, namely, health, education and basic infrastructure. The Organization could help countries lay the framework and support the development of essential skills, so that they could take advantage of the opportunities opened up by globalization. In that context, the need for continuing human resources development could not be overemphasized. Basic education was essential for individuals and countries to link up with the evolving system. In a world characterized by constant change and planned obsolescence, continuing education and training throughout an individual's life was an imperative. The United Nations also needed to build flexibility into its responses, which implied a willingness to depart from a business-as-usual approach, when necessary, and to at least consider change. Finally, the Organization provided a forum to discuss issues of concern in working towards common development goals. Rapid and accurate communication was essential in a world where events in one country or region were almost instantaneously transmitted around the globe. It was equally important, however, to be able to transmit the outcomes of discussions and debates in New York back to the decision makers in the capitals of every country.

54. **Mr. Isakov** (Russian Federation) said that globalization was an objective phenomenon that offered new development opportunities at the same time as it entailed risks. In order to cope with such risks, it was necessary to develop a concerted strategy of efficient management, adapt national economies to the conditions of globalization and ensure a fair use of its benefits by all countries, in the interest of ensuring economic growth and attaining the objectives of sustainable development. The growing interdependence of national economies as a result of the dynamic increase of transborder movements of goods, services and capital, and the intensive exchange of information and technologies, had led to pivotal changes in such fields as production, communications, foreign investment and finance.

55. While globalization had spawned a tremendous development of information technologies and was one of the driving forces behind the considerable growth of world trade and investment in recent times, it was also fraught with a number of dangers. The growing openness of some economies made them more vulnerable to adverse external effects and promoted the spread of local economic troubles to other regions of the world, as the recent financial crisis in Asia had demonstrated. Relatively slow economic growth and lower competitiveness in the areas of technology, information and human resources in developing countries and countries in transition had created additional difficulties in the process of adaptation to globalization. In that regard, reinforcing multilateral mechanisms of coordination of

macroeconomic policy in the interest of stability, predictability and global economic growth was necessary for effective management of the globalization process. In that context, the most important task was to strengthen the capacity of the United Nations and other multilateral institutions engaged in the complex issues of trade, finance and development. The consideration of problems of globalization should be carried out in a transparent manner and involve a large number of countries, multilateral institutions, business circles, the academic community and the public at large.

56. **Mr. Kim Hak-su** (Republic of Korea) said that globalization was not an option but a reality. The Asian financial crisis had raised legitimate concerns, and many developing countries had found themselves marginalized from the global system. The report of the Secretary-General (A/54/358) had aptly articulated two of the challenges posed by globalization: a lack of policy coherence at the national and international levels and inadequacies in the area of governance. The United Nations should continue to play a catalytic role in formulating coherent policy responses to the challenges posed by globalization and should strengthen its partnership with the Bretton Woods institutions and the World Trade Organization.

57. The Organization should give continued priority to helping developing countries adapt to the new opportunities arising from globalization with a focus on the use of information and communication technologies. In that regard, his delegation welcomed the choice of information technology as the theme of the high-level segment of the substantive session of the Economic and Social Council for the year 2000.

58. While the free movement of goods and people would increase prosperity and complement cooperative frameworks in many areas, unchecked globalization would lead to a homogenization of consumption and production patterns and of cultural values. Therefore, the regional economic commissions should be strengthened and streamlined in order to assess the ramifications of globalization, taking into account the specific needs of each region.

59. He stressed the importance of a truly global partnership that would include all stakeholders in society and provide a stable environment through good governance, transparency and accountability at the national and international levels. He welcomed the Secretary-General's call for a Global Compact between the United Nations and the private sector and considered that the joint statement issued in July 1999 by the Secretary-General and the President of the International Chamber of Commerce (ICC) was an encouraging step towards the achievement of that goal.

60. **Mr. de Moura** (Brazil) said that globalization had been the result of extraordinary developments in communications systems dating from the 1960s. It was difficult to arrive at a common understanding of the nature, scope and implications of that process and of what to do about it. While the emergence of a global market had had a positive influence on growth and productivity in some countries, it had also widened inequalities at the national and international levels. Moreover, institutional and regulatory frameworks had not yet adjusted to the new realities and there was a need for multilateral cooperation, taking into account the interactions between trade, finance and macroeconomics and their integration with social concerns.

61. Expanding inequality and the growing risk of financial instability were among the most serious problems that the world faced. The United Nations and, in particular, the Economic and Social Council were uniquely suited to a comprehensive discussion aimed at making the potential benefits of globalization a reality for all. In that regard, his delegation welcomed the dialogue with the Bretton Woods institutions.

62. **Mr. Haque** (Pakistan) said that while the supporters of globalization claimed that it was a panacea for the economic problems of the developing countries and that everyone would eventually get a piece of the economic pie, that optimism was not shared by those left poorer by the process. The reality was that the world economy was not global. Trade, investment and financial flows were concentrated primarily in the developed blocs, and there was no transfer of resources from the developed to the developing countries.

63. Globalization was the newest form of economic colonialism; it made possible the efficient exploitation of vulnerable nations in the name of free markets and allowed transnational capitalists to rampage through the developing world, sometimes with the connivance, and even the active participation, of the rich elite of those poor countries. The vast, cheap labour pools of developing countries were being exploited, commodity prices were being manipulated in order to ensure a continued supply of cheap raw materials and the markets of developing countries were being pried open in the name of trade liberalization while the developed countries limited access to their own markets through various stratagems. International financial markets and rapid capital movement drained financial resources from newly emerging economies through currency speculation, and huge

transfers of resources from the developing to the developed economies continued unchecked.

64. Significantly, official development assistance (ODA), the most direct expression of international solidarity for development, continued to decline, and direct investment was concentrated in the developed world and a small number of developing countries. It had been well established that there was no substitute for development financing, yet the actions of the developed countries spoke louder than their words in support of the cause of development.

65. The proponents of globalization spoke of the interdependence of nations, the shared nature of their economies and the mutuality of their interests. In reality, however, the developed countries were not dependent on the developing world; Western corporations had major holdings in developing countries, and world bodies were dominated by the developed States. The developing countries, for their part, were dependent on limited overseas markets and exports and were at the mercy of the international financial institutions; they suffered the negative consequences of globalization but had virtually no role in defining the rules of the game, and their repeated calls for democratic governance of the global economy had fallen on deaf ears.

66. The argument that there was no alternative to globalization was a self-serving rationalization which allowed its proponents to denude poor countries of their resources. The push towards globalization was a triumph of capital over labour; the developed countries intervened on behalf of their multinational corporations to ensure the latter's smooth operation in the host countries, and the investments of those corporations were conditional on the granting of specific immunities for their activities, which gave them a licence to act independently of the economic regulations of the host countries.

67. Perhaps more tellingly, the dynamics of globalization had been fuelled by a massive growth of financial markets and a push to liberalize capital accounts, yet the developed countries did not apply those principles to their own markets. Major areas of export interest to developing countries were closed or protected through subsidies or by other means. There could be no level playing field between strong and weak economies without international regulatory measures to control the predatory policies of the more powerful players. Unfortunately, however, the measures being adopted worked to the further disadvantage of weak and vulnerable economies, and developing countries had little role in policy-making at the international trade conclaves.

68. Thus, globalization was a tool used by the powerful to plunder the fragile economies of the South in a thinly disguised attempt to create a new Western domination rooted in the absolute power of capital and the monopolization of technology.

69. **Mr. Malhoutra** (India) said that if globalization was to be meaningful at the national level, it must lead not only to enhanced trade and financial flows, but to improved quality of life. It was important to assess the impact of globalization on each developing country, taking into account differences in the economic and social capacities of the various States and regions and avoiding universal timetables for liberalization.

70. Overly hasty and ill-thought-out liberalization had led to massive unemployment and to a breakdown of social systems in developing economies that were not prepared for competition and the immediate impact of technological upgrades. Retraining of the labour force, investment in research, development and infrastructures and expansion of agriculture and agro-industries were crucial if developing countries were to be equipped to manage the challenges of globalization.

71. The recent financial crisis in South-East Asia had revealed deep-seated structural imbalances in the manner in which globalization and liberalization were shaping the global economy. For many, the debt crisis of the early 1980s had provided final proof that inward-oriented strategies and interventionist policies could not extricate developing countries from the mire of poverty and underdevelopment. It had been thought that trade liberalization would ensure the best allocation of resources according to comparative advantage, secure needed export revenues and attract foreign direct investment which, in turn, would promote domestic capital accumulation, technology transfer and capacity-building. However, the recent financial crisis had wiped out decades of economic growth and successful poverty eradication in the very developing countries that had most successfully integrated into the global economy. Moreover, the economic, social and human cost to those countries had had repercussions for the entire developing world, where growth had slowed from 6 per cent in 1996 to 2 per cent in 1998. Yet once that crisis had been contained, legitimate concern about the long-term drawbacks of globalization had given way to an unjustified complacency.

72. A series of structural problems must be addressed if globalization was to respond to the needs of the vast majority of developing countries. Balance-of-payments disorders remained as acute as ever for developing countries, whose economies were dependent on external financing in order to achieve the growth rate needed to tackle the problems of poverty and underdevelopment. Losses resulting from terms

of trade were no longer confined to commodity exports for the prices of manufactured goods exported by developing countries had also fallen. Liberalization of capital flows had made matters worse, leading to currency appreciation and instability and undermining trade performance.

73. Disproportionate attention to the rapid expansion of private capital flows to developing countries in the early 1990s had masked the fact that that upsurge was merely a return to the levels prevailing in 1975-1982, about 5 per cent of gross national product (GNP). Moreover, those flows had been concentrated on the same small group of 20 emerging markets as in the past. A recent study suggested that even the major increase in foreign direct investment in the 1990s was primarily a reflection of mergers and acquisitions rather than of new, productive investment.

74. Globalization had accentuated the extent to which economic success depended on the rapid acquisition of skills and on the effective use of information and technology. The *Human Development Report* 1999 showed that many developing countries lacked the infrastructure and other capacities needed to tap into the information and communications revolution. Furthermore, the international community must examine the continued viability of frameworks for the protection of intellectual property, ensuring a balance between the legitimate rights of owners and innovators to a secure and appropriate return on their investment and the larger social benefit that would result from wide, unrestricted knowledge flows. Ironically, under current WTO agreements, considerable protection was afforded to subsidies for research and development in the developed countries while subsidies in other sectors were discouraged.

75. On the eve of the new millennium, Member States had a historic opportunity to design not a level playing field, but an equitable one where all countries could be equipped to participate in the global race for development and prosperity.

The meeting rose at 6.15 p.m.